



United States  
Department of  
Agriculture

Farmers  
Home  
Administration

Washington  
D.C.  
20250

FmHA AN No. 2975 (1951-C)  
February 28, 1994

SUBJECT: Salary Offset Computer Match

TO: State Directors

PURPOSE/INTENDED OUTCOME: The purpose of this AN is to provide instructions for reviewing Federal salary offset computer match information and initiating salary offset.

COMPARISON WITH PREVIOUS AN: FmHA AN No. 2593 (1951) was issued July 27, 1992, but has expired.

IMPLEMENTATION RESPONSIBILITIES: Attached are lists of borrowers potentially eligible for salary offset. These lists include delinquent Farmers Home Administration (FmHA) borrowers who were identified as Federal employees by computer matching. Also included is a list of salary offset codes.

Farmer Program borrowers, both active and collection only, can be recommended for offset after they have been considered for all primary servicing options available under FmHA Instruction 1951-S and have completed the appeal process including any reviews. Rural Housing borrowers can also be considered for salary offset after all available servicing options have been completed, and they have completed all of the appeal process including any reviews.

**State Offices shall:**

1. Send a copy of this AN with Attachment 1 and the appropriate list of borrowers potentially eligible for salary offset to each servicing County Office.
2. By March 31, 1994, make sure you have received a coded list from each county identified on your master list.
3. Record the proper salary offset code for each borrower on your master list.
4. FAX or send a copy of the coded master list no later than April 15, 1994, to:

Jeanne Hudec  
Ag Box 0724  
Washington, DC 20250-0724

FAX (202) 720-7034

EXPIRATION DATE: February 28, 1995

FILING INSTRUCTIONS:  
Preceding FmHA  
Instruction 1951-C




Farmers Home Administration is an Equal Opportunity Lender.  
Complaints of discrimination should be sent to:  
Secretary of Agriculture, Washington, D.C. 20250

5. Follow FmHA Instruction 1951-C, §1951.111, for initiating salary offset.
  - a. If a borrower is eligible for salary offset, send FmHA Guide Letter 1951-C-4 within 15 days of determining eligibility.
  - b. If a borrower requests a salary offset hearing within the 30-day notice period granted per FmHA Guide Letter 1951-C-4, contact Jeanne Hudec at (202) 720-4356 for instructions.
  - c. If no hearing is requested and the 30-day notice period expires, complete FmHA Form Letter 1951-6 within 7 days and send the original letter to the above address at the National Office. Include the borrower's social security number on this form letter.
6. Retain the original master list for your records.

**County Offices shall:**

1. Review the list of delinquent borrowers to determine if salary offset is feasible for any borrower. Use Attachment 1 for ineligibility categories.
2. Mark the appropriate code beside the borrower's name stating that he/she is eligible for offset or the reason for ineligibility.
3. Send a copy of the coded list to the State Office no later than March 31, 1994.
4. If any borrower is a Federal employee, is eligible for salary offset, and is not listed on this computer match, notify the State Office that salary offset should be initiated for this borrower.
5. Retain the original list for your records.

If you have any questions, please call Jeanne Hudec at (202) 720-4356.

  
MICHAEL V. DUNN  
Administrator

Attachments - to State Directors only

- (1) List of salary offset codes and ineligibility criteria
- (2) List of borrowers potentially eligible for offset  
TO ADDRESSEES ONLY

## SALARY OFFSET CODES

1. Recommended for salary offset or already in salary offset
2. Not a Federal employee
3. Bankruptcy - The account has been discharged in bankruptcy or is under the jurisdiction of a bankruptcy court and the debt has not been reaffirmed.
4. Foreclosure - The account has been referred to OGC for foreclosure and, based on the legal opinion required by §1951.103(c), a collection by offset would jeopardize the litigation under State law.
5. Account has a delinquency workout agreement in effect and payments under the agreement are current
6. Not liable for debt
7. Account is current
8. Rescheduling in process
9. County Committee member (ASCS or FmHA)
10. Compromise offer pending
13. 1951-S servicing or appeal still in process
14. Moratorium
15. Deceased
16. Paid in full
17. Paid in full-net recovery buyout
18. Other (Please specify)
19. Active duty member of the armed forces and is covered by the Soldiers' and Sailors' Civil Relief Act
20. Account is past due by less than \$100
21. Account has a suspended code
22. Account is current under an SAA
23. Account has been referred to the Department of Justice for litigation